



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

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Testimony Opposing House Bill No. 5434

AN ACT CONCERNING LEGISLATIVE APPROVAL OF THE EXPENDITURE OF FEDERAL BLOCK GRANT FUNDING

Senator Osten, Representative Walker and distinguished members of the Appropriations Committee, thank you for the opportunity to offer written testimony on House Bill No. 5434, An Act Concerning Legislative Approval of the Expenditure of Federal Block Grant Funding.

This bill would institute a legislative review process that is similar to the process now utilized for federal block grants. This review process would apply to any award of federal block grant funds in excess of \$10,000 that is in addition to the award reflected in the allocation plan routinely submitted by the Governor for review and approval by the committees of cognizance.

The Office of Policy and Management opposes this bill for several reasons. The additional review process outlined in the bill limits agencies' ability to disburse essential funds that support a variety of services across the state, creates administrative complexity and adds duties to already-stretched staffing, and includes a minimum threshold for review that is exceedingly small in the context of many of the state's block grant allocation plans.

The Governor's recommended allocations of federal block grant funding follow an annual process for approval or modification by the committees of cognizance in accordance with Section 4-28b of the General Statutes. Approved block grant allocation plans include contingency language that addresses how the lead agency will respond to instances in which the actual block grant award is less than, or exceeds, the amount in the approved allocation plan. The annual development and approval process includes considerable input from a variety of community stakeholders. Agencies already put in significant effort to ensure that additional funds are used in an effective and efficient manner to meet urgent needs in alignment with approved allocation plans, and the additional review process envisioned under this bill would delay disbursement of these funds into the community. Such a delay is of particular concern when additional funds have been authorized by Congress to support states in response to an emergency such as the COVID-19 pandemic.

In addition, at a time when agencies are grappling with staffing shortages in key positions, this process would create a burden on the limited administrative capacity that is available to produce additional allocation plans and participate in legislative hearings.

Finally, as currently written, this process would be initiated if “the state receives federal block grant funds in an amount greater than ten thousand dollars that is in addition to those funds that were the subject of the recommended allocations.” This threshold of \$10,000 is inordinately low in the context of allocation plans that cover millions of dollars. It is also concerning that this bill includes no administrative flexibility to forgo the legislative review process should the additional block grant funds represent a minimal percentage increase over the anticipated funding that was originally budgeted in an allocation plan.

We remain committed to working collaboratively with the legislature to annually submit our recommended allocation plans for block grant funding and receiving approval or modification of those plans in line with current processes. We believe this system has produced quality allocation plans that support and benefit Connecticut’s vulnerable residents, while also providing agencies the needed flexibility to quickly direct additional funding towards essential services already detailed in those block grant allocation plans.

Thank you again for your consideration of our testimony.